

Status:

FISCAL NOTE

Drafting Number:LLS 18-0746Date:April 9, 2018Prime Sponsors:Rep. Hansen; HerodBill Status:House SVMA

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Bill Topic:	OPEN INTERNET CUSTOMER PROTECTIONS IN COLORADO		
Summary of Fiscal Impact:		☐ TABOR Refund ☐ Local Government ☐ Statutory Public Entity n internet service providers to follow net neutrality Support Mechanism funding. It will increase state sis.	
Appropriation Summary:	In FY 2018-19, the bill requires an appropriation of \$49,000 to the Department of Regulatory Agencies.		
Fiscal Note	The fiscal note reflects the introduced bill.		

Table 1 State Fiscal Impacts Under HB 18-1312

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	Cash Funds	\$49,000	\$49,000
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill disqualifies an internet service provider from receiving High Cost Support Mechanism (HCSM) grants if the provider engages in:

- blocking lawful internet content,
- · paid prioritization of internet content,
- · regulating network traffic by modifying bandwidth, and
- not providing transparency of its network management practices.

A provider that is determined by the Public Utilities Commission (PUC) to have engaged in any of these anti-net neutrality practices is required to return any HCSM funds it received during the prior 24 months.

The Attorney General's Office and the Broadband Deployment Board must develop guidance for consumers on filing complaints with the Federal Trade Commission to allege that a provider has engaged in any of these restricted activities. A governmental body contracting for internet service must give preference to a provider that certifies it will not engage in any of these restricted activities.

State Expenditures

The bill will increase state expenditures in DORA and workload in the Department of Law beginning in FY 2018-19.

Public Utilities Commission and Broadband Deployment Board — Department of Regulatory Agencies. Beginning in FY 2018-19, the PUC will require a contractor with expertise in internet protocol network engineering to provide technical analysis support to the PUC during complaint proceedings, at a cost of \$49,000 per year paid from the HCSM Administration Fund. This amount assumes 700 hours at a cost of \$70 per hour, working on one or two complaint proceedings per year. Complaint proceedings under the bill are anticipated to be complex in scope, depth, and technical issues, and are likely to involve sophisticated companies. Rulemaking to implement the bill and complaint proceedings will take place during the PUC's normal course of business. The Broadband Deployment Board will incorporate the work to develop guidelines with the Attorney General's Office within existing appropriations.

Department of Law. Beginning in FY 2018-19, the Department of Law will have an increase in workload to work with the Broadband Deployment Board and to provide counsel to the PUC. Counsel may specifically be needed in instances where a provider may have engaged in prohibited efforts, but is providing emergency communications or other specified efforts in the public's interest. No change in appropriations is required.

Department of Personnel and Administration. The State Purchasing Office in the Department of Personnel and Administration will develop technical guidance and revisions to the procurement process for internet service providers. This effort can be accomplished within existing appropriations.

Local Government

Local government internet service providers. Local governments that are internet service providers may see an increase in workload to ensure policies meet the bill's standards. Longmont currently provides broadband services, and the municipalities of Firestone, Frisco, Lake City, Limon, Lyons, and Severance just approved a ballot measure permitting them to become internet service providers.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

In FY 2018-19, the bill requires an appropriation of \$49,000 to the Department of Regulatory Agencies from the High Cost Support Mechanism Administration Fund.

State and Local Government Contacts

Economic Development Inform Regulatory Agencies

Information Technology

Law